

Iowa Power Fund Board
Meeting Minutes October 8, 2008
Public Safety Department
Des Moines, Iowa

Call to Order:

Fred Hubbell, Chair, called the meeting to order at 10:15 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy	X	
John Bilsten	X		Bill Giddings	X	
Peter Hemken	X		Kent Henning		X
Patricia Higby	X		Senator Hubert Houser		X
Carrie LaSeur		X	Senator Roger Stewart	X	
Richard Leopold	X		Rep. Nathan Reichert	X	
John Norris	X		Rep. Chuck Soderberg	X	
Bill Northey	X		Due Diligence Committee	Present	Present
Lucy Norton	X		Tom Barton	Franklin Codel	
Mike Tramontina	X		Ted Crosbie	Vern Gebhart	
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Jennifer Wright, Brian Crowe, Mary Lewis, Rob Grayson, Sherry James

Approval of Agenda:

Action: Mr. Hemken moved, Mr. Northey seconded, to approve the agenda as printed. All members present voted “aye”.

Approval of Minutes:

Action: Ms. Norton moved, Mr. Hemken seconded, to approve the September 10 and 17, 2008 Power Fund Board minutes as amended. All members present voted “aye”.

Chair’s Remarks:

Chair Fred Hubbell reported there would be discussion later in the meeting regarding the financial report for the Power Fund.

Director's Remarks:

Director Roy Stanley welcomed the board members back to Des Moines. She reported the meetings would be held in Des Moines until end of session, May 2009. There are three energy public forums remaining for the year: October 14 in Fayette, November 19 in Sioux City and December 3 in Burlington. She reminded the board that they are always welcome to attend the forums and she acknowledged their busy schedules in doing so. A more detailed discussion would be held later in the meeting regarding term sheets and negotiations on the contracts for approved projects. The DED legal staff has signed an agreement to review the Power Fund contracts.

Public Comments:

There was no one to give public comments.

Financial Report:

Director Stanley reported the department is preparing a report on the Power fund financing to present to the legislators in preparation of the next session. She reviewed the balance summary explaining the details from the original appropriation through the disbursements to the community colleges, operating expenses, Jumpstart fund, summary of projects completed or in final negotiation and those currently under consideration. Director Stanley reported the operating expenses, community college disbursements and Jumpstart transfer are final. The balance following the projects completed or in final negotiation is \$1,126,933. If all of the projects were finalized that are currently under consideration, the balance would be **-\$11,306,468**.

Director Stanley reviewed the targets for FY 08 and FY 09 for the different categories of commercialization, education, research/development and other.

There was discussion regarding the projects that are more than one year. It was reported the term sheet must state "contingent upon funding by the legislators".

There was also discussion regarding ongoing monitoring of the projects and measurable milestones. It was reported that if the obligation isn't carried forward per the terms of the contract, the contract becomes null and void and the applicant would need to refund the money that had been disbursed. Each contract is unique and measurable. The negotiating committees are reviewing collateral to include in the term sheet and contract.

Senator Stewart encouraged the board to continue to work through the negotiations with the projects that have been approved, and keep the legislators updated so they have a clear understanding of the process and the projects that had been awarded.

It was suggested to have a summary of each of the projects that have been approved on the website. Mr. Crowe reported the office is working with an outside company to assist them in posting these projects.

There was further discussion regarding reallocating the "buckets" of the funds. The board reviewed a summary of projects completed or in final negotiation and how they were split into respective funding buckets. It appears the projects are longer on biofuels and shorter on some other types.

There was discussion regarding the funding that was transferred to the Jumpstart program being educational. Discussion followed regarding education and clarification to the general public on what Energy Star means, the process to have these appliances properly installed efficiently, how it is coordinated with the respective utility company, how to be more pro-active, etc.

The board reviewed the project summary list for those projects that have been obligated or are in contracts, priority contracts and those projects under consideration. Mr. Hubbell reminded the board members that these projects do not have contracts as yet and some may not go any further if they have difficulty with a business plan, match dollars, etc. Where the projects are at in the process today may not be where they end up in the final stages due to many factors. Mr. Hubbell reminded the board that contracts would come back to the board for final approval following negotiations.

Senator Stewart reminded the board members to be more defined in their process for the legislators.

Mr. Hubbell distributed a letter from Speaker Patrick Murphy assuring members of the Power Fund board that upon convening of the 83rd General Assembly, he intends to work with legislative leaders and the Governor to promptly review the activities related to the Iowa Power Fund and determine what the General Assembly can do to make sure that Iowa Power fund projects remain on track.

Committee Reports:

Administrative Rules: There was no activity with the Administrative rules committee at this time.

Due Diligence: Director Stanley reported there were no pre-applications approved to go further for full applications at the September 24 DDC meeting. The committee forwarded 1 full application that was presented at DDC to the October Power Fund board for their review.

Director Stanley reported the DDC will meet on October 22 and then the November and December meetings have been combined and will meet on December 15th.

Review of Full Applications:

(See attached comments regarding full application discussion.)

■ Farms to Fuel - Amana Farms –, Amana, (\$1,082,575) Action: Hubbell, yes to negotiate; Leopold, yes to negotiate; Tramontina, yes to negotiate; Higby, yes to negotiate; Wind, yes to negotiate, with a strong suggestion that the negotiating committee request more dedication to the research applicability to allow other facilities the advantage of the research and development and use of the Power Fund money; Bilsten, yes to negotiate, Norris, yes to negotiate; Hemken, yes to negotiate; Northey, yes to negotiate; Norton, yes to negotiate. *Decision: yes, to negotiate.*

Negotiating Committee: John Norris, Bill Northey, Tom Wind and Fred Hubbell

Planning Committee: Tommi Makila updated the board on the progress of working with Navigant Consulting to assist with gathering the information for the Plan. The energy forums around the state will add additional comments into the Plan. He also reported that Navigant representatives met with the Iowa Climate Change Advisory Council for input. Mr. Wind gave a power point presentation on the detailed outline of the Plan. He expressed that he would like to see less text and more graphics and pictures. He felt more people would read the Plan if it didn't require so much intense reading.

There was discussion on what sections are most important to the Plan and exactly what are the Power Fund and OEI trying to accomplish. Discussion followed regarding the difference between “policy” and “implementing plans”. It was the consensus that “implementation” is the roadmap to get where you are going and “policy” is the goal you want to hit.

The three categories for the study of the Plan are: energy efficiency; renewable energy and biofuels with many more topics falling within these three categories.

Representative Soderberg expressed that there appears to be many clearinghouses for lots of energy efficiency studies and just having a Plan is one thing but having it be effective is another. He encouraged the Board to look beyond the Power Fund and decide what can be done for the Power Fund and then what can be done for the entire state.

Mr. Hubbell thanked the board members for the intense, lengthy discussion and reported any revisions to the Plan would be sent to the full board for their input. He reported the November Board meeting will allow extended time for review of the Plan as it is due December 14th.

Application Committee: There was nothing to report.

Energy Efficiency/Energy Education Taskforce: Ms. Higby reported the final draft of the survey was sent to the Board for their review and in order to have input from the survey into the Energy Plan, the survey needed to be sent by Friday, October 10th. Ms. Stanley asked if the biofuels and utilities sides had reviewed the draft as she wanted stakeholders to be involved in the draft of the survey. Ms. Higby replied that she felt the members of the Board covered the wide array of the stakeholders’ thoughts.

Ms. Higby reviewed some of the questions of the survey. She reported it was important that all of the questions be answered for credibility of the survey.

She will share the results with the Power Fund Board at the November meeting.

Awarding of Final Contracts

Mr. Crowe reported that DED is assisting OEI with term sheets. Negotiations continue with several projects and there could be many contracts ready for Board approval at the November meeting.

Future Meeting Schedule

There was discussion regarding future meeting dates for the Board and DDC meetings. It was decided the Power Fund Board meetings will remain on the 2nd Wednesday of each month and will meet in the Des Moines area during the legislative session. The DDC meetings will be every other month starting in February and remain on the 4th Wednesday of the month. If there is a project presented that is time sensitive, it might be possible for the DDC to meet oftener than every two months.

Public Comments:

There was no public comment.

Other Business:

Ms. Stanley requested the members check their schedules for availability for an educational session on corn fractionation on October 23 or 24. Notice will be sent with final details.

A survey has been sent to the Board and DDC members requesting feedback on the type of technology they prefer when they are not able to attend meetings. Results will be given at the November meeting.

Adjournment:

There being no further business to discuss at this time, Mr. Hemken moved, Mr. Northey seconded, the meeting be adjourned at 4:00 P.M. All members present voted "aye". The next Power Fund Board meeting will be held on Wednesday, November 12 at 10:00 AM, at the West Des Moines Public Library.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary